IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

B.I.F.R. CASE NO.188 OF 1989

In the matter of M/s.Khanna Rayons Industries Ltd.

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Ms.Shweta Moghe i/b Mehta & Girdharlal for Company.

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CORAM: A.M.KHANWILKAR, J.

SEPTEMBER 29, 2005.

P.C.

1. Perused the covering letter received from registered Board for Industrial & Financial Reconstruction dated December 5, 2002 and the order passed by the Board, wherein, it is mentioned that the Company M/s.Khanna Rayons Industries Ltd. has been ordered to be wound up, as the Board has recorded opinion under Section 20(1) of the Act that it is just and equitable that the Company should be wound up. However, learned Counsel for the Company has produced before me copy of the order passed by the A.A.I.F.R. dated 8th June 2005

which mentions that the order dated 29th October 2002 passed by the Board recommending winding up of the Company has been set aside by the Delhi High Court on May 11, 2004. It is on that basis even the appeal pending before the A.A.I.F.R. has been disposed of by order dated 8th June 2005. The A.A.I.F.R. has, however, observed that inspite of reversion of order passed by the Board dated 29th October 2002, the reference pending before the B.I.F.R. will have to proceed and taken to its logical end.

2. Suffice it to observe that the order passed by the Board dated 29th October 2002 forming prima facie view that the Company should be wound up is already set aside. If it is so, question of proceeding on the basis of that recommendation in directing winding up against the Respondent Company, does not arise. Accordingly, the reference is returned back to the Board. Case is disposed of on the above terms.

A.M.KHANWILKAR, J.